(Amount in Rs. lakh)

Population Group	Deposits		Credit	
	Amount	Percentage share to total	Amount	Percentage share to total
Rural	7251110	14.73	3237155	11.47
Semi-Urban	9665784	19.63	3747817	13.28
Urban	11029230	22.41	5129932	18.17
Metropolitan	21276619	43.23	16108756	57.08
Total	49222743	100.00	28223660	100.00

[English]

Export of Poor Quality Basmati

2863. SHRI G. VENKAT SWAMY: Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have received any complaint from the European Union about the poor quality of basmati parboiled exports;

(b) if so, the details thereof;

(c) whether EU import norms are increasingly being dictated by US Lobbies intent on keeping Indian Exporters out of competition from their EU markets;

(d) if so, whether the Government have taken up the matter with the European Union; and

(e) if so, the results thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) and (b) The European Commission has requested the Government of India to ensure that the quality of Indian basmati rice be maintained as some poor quality parboiled rice has been entering the European Union market.

(c) to (e) The European Commission has introduced a cumulative recovery system, for a trial period of 1 year i.e. from 01.07.1997, for determining certain import duties on rice as a consequence of an agreement reached with the Government of United States of America in the form of exchange of letters on cereals and rice. India has made its position known to the European Union through the diplomatic channels.

Increase in Trade and Investment Flow

2864. DR. M. JAGANNATH: Will the Minister of COMMERCE be pleased to state:

(a) the over all Government's strategy to increase trade and investment flow into the country; and

(b) the steps taken to build linkages with major trade blocks in the world?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) A number of measures have been taken by the Government to create a free environment for trade. The new Exim Policy for 1997-2002 has considerably simplified the policy and procedures; imports are being gradually liberalised to facilitate availability of raw materials and inputs to the export sector besides widening and modernising the indigenous production base; country specific initiatives have been undertaken to promote trade; Export Promotion Industrial Park Scheme has been implemented to support the State Governments in their export promotion effort; an India Brand Equity Fund has been created to create a good image for Indian products aborad; Interactive discussions with Export Promotion Councils, Commodity Boards and trade and industry are held to boost exports; interest rate on export credit has been reduced and an emplowered Export Promotion Board to resolve the problems facing exporters expeditiously has been set up.

In order to raise investment flows the investment limits by individual FIIs/sub accounts for FIIs in the total issued capital of individual companies has been raised from 5% to 10% subject however to investment by all FIIs/NRIs/OCB in the aggregate being limited to 24% of the issued capital of the company. The limit of 24% has also been raised to 30% subject to (a) approval by the Board of Directors of t he Company and (b) a Special Resolution passed by the General body of the Company to the enhanced limit of 30%. FIIs have been broad based through inclusion to university funds, endowment funds, charitable trusts/societies with a track record.

FIIs have also been permitted to invest in unlisted companies with a view to attracting such investments in infrastructure sector.

(b) Among others, India has played a constructive role in the Indian Ocean Rim initiative which seeks to promote closer economic cooperation in the Indian Ocean region. Operationalisation of SAPTA (South Asian Preferential Trade Agreement) is another step in this direction and it